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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

#13

Assignee's Docket No.: 6253)
Group Art Unit: 2876)
Serial No.: 08/673,642)
Examiner: T. Le)
Filing Date: June 25, 1996)
Title: Portable Credit Card)
Verifier)

APPEAL BRIEF

2 - PAGE SUMMARY OF ARGUMENT BEGINS ON PAGE 3

The fee for this Brief may be billed to Deposit Account
140 - 225, NCR Corporation.

1. REAL PARTY IN INTEREST

The real party in interest is NCR Corporation.

2. RELATED APPEALS AND INTERFERENCES

None.

3. STATUS OF CLAIMS

Claims 1, 3 - 9, and 11 - 18 are pending.

Claims 6 and 7 are allowed.

Claims 4 and 12 - 18 are allowable if modified slightly, which

will be done.

Claims 1, 3, 5, 8, 9, and 11 are appealed.

4. STATUS OF AMENDMENTS

A rule-116 amendment has been submitted, correcting a typographical error.

5. SUMMARY OF INVENTION

Applicant's Figure 3 illustrates one form of the invention, which comprises a portable device 43 which may be presented to a patron of a restaurant, for paying a bill. The device 43 issues a message 61, telling a user to swipe a credit card 49. The patron complies with the message, and swipes the card 49. The device, now labeled 40 in Figure 4, reads the card, and contacts a base station 21, via a wireless modem 71. After making this contact, the device 40 now obtains access to telephone lines 72, which allow validation of the credit card.

When validation is confirmed, the device 43 presents a message on display 61 so stating, and printer 55 issues a receipt 58.

Greater detail concerning the invention is contained on pages 4 - 7 of the Specification.

6. ISSUES

Whether the appealed claims are obvious, based on Ziarno.

7. GROUPING OF CLAIMS

There is one group of claims. The claims DO NOT stand or fall together, with the exception of claims 1 and 8, which do stand or fall together.

8. ARGUMENT

Summary of Argument

Claim 1

Claim 1 recites a **portable** device containing a printer. The reference, Ziarno, shows

- (1) **stationary** printers, and
- (2) **portable** devices for collecting charitable contributions, made by credit card.

Ziarno teaches that his portable devices **SHOULD NOT** print receipts:

1. Ziarno states that his portable devices should **NOT** validate the credit cards, because their time should instead be spent collecting donations. Validation is a prerequisite for printing a receipt.

2. Ziarno's portable devices periodically download the contributions to a central computer system. That system validates the credit cards en masse, and prints receipts, using the stationary printers. Those receipts are mailed to the donors.

-- Thus, Ziarno's teaches against printing both (1) at the **site** of donation, namely, at the portable terminal, and (2) at the **time** of donation.

3. Ziarno states that receipts should be printed by printers which are **remote** from his portable devices.

Therefore, Ziarno teaches against claim 1.

The PTO modifies Ziarno, by adding printers to his portable terminals. Modification is not allowed.

Further, the modifications **completely re-arrange** Ziarno's

procedures and hardware. A list of the modifications is given on page 13 herein. Some of these modifications are **absurd**. For example:

1. Ziarno's portable terminals do not validate credit cards. If printers are added, how do they print receipts ? Validation is a prerequisite. The printers are useless.
2. At the time of the en masse validation, the donors are no longer present at the portable terminals. Why would the portable terminals print receipts at that time ? And how are the receipts delivered to the absent donors ?

In addition, these re-arrangements require addition of a component which is not shown in the applied reference. If Ziarno's portable terminals are to perform printing, they must know what to print. A system must be added for transmission of data-to-be-printed from the stationary validating computers to Ziarno's portable terminals. That system represents another modification. And that system has not been shown in the prior art.

Claim 3

Claim 3 recites that the portable terminal transmits a code which identifies itself. Ziarno does not show that. The PTO asserts that such a code is "necessary" in Ziarno. This Brief (page 25) shows why that is false.

Claim 5

Claim 5 recites "multiple base stations." That has not been shown in Ziarno.

Claim 9

Claim 9 was rejected on the grounds that

Applicant's claimed features are merely well within the skill level and expectations of an ordinary skilled artisan.

MPEP § 2143.01 prohibits that rejection.

Other Claims

Many recitations have not been shown in the cited art. Instead, the PTO relies on "inherency." However, MPEP § 2112 requires an explanation showing inherency. None has been given.

END OF SUMMARY

ARGUMENT

CLAIM 1

Claim 1 is here reproduced fully. Paragraphs 1(c) and (f), which are **highlighted**, are discussed below.

1. A portable terminal, comprising:
 - a) a keypad containing between 10 and 15 keys;
 - b) a card reader;
 - c) a wireless modem for communicating with a local base station connected to a telephone line;**
 - d) a display;
 - e) logic means for
 - i) accepting data from the card reader and the keypad; and
 - ii) transmitting said data to a base station, using said wireless modemand which comprises means for
 - iii) issuing messages on said display which instruct the user to
 - A) present a card to the card reader and
 - B) enter a monetary amount using the keypad; and
- f) a printer for printing a paper receipt.**

Overview of Response

Claim 1(f) recites that the "portable terminal" comprises "a printer for printing a paper receipt." The Office Action admits

that Ziarno does not show this¹, but asserts that it is obvious to combine a printer with Ziarno's portable terminals 100, on the grounds that printing receipts is "known and old."² However, this reasoning is unsound.

Mere Fact of Being "Known and Old"
Does not Justify Combination of References

The mere fact that printing receipts is "known and old" is not a basis for combining that procedure with Ziarno.

The fact of being "known and old" merely indicates that printing receipts is within the prior art. The existence of a concept within the prior art, by itself, does not suggest combination of that concept with a reference.

Further, even if that concept is combined with Ziarno, claim 1 is not necessarily obtained. Receipts can be printed manually, by printing press, by typewriters, etc. The Office Action has not identified how the printing, which is "known and old," is done. Thus, exactly what is obtained by the combination has not been shown, and, consequently, claim 1 has not been shown.

Ziarno Already Prints Receipts

There is no reason to combine the "known and old" with Ziarno. He already prints receipts.

-- Ziarno discusses printing of an

¹ Final Office Action, page 3, line 2.

² Final Office Action, page 6, last full paragraph.

"acknowledgement" of the contribution, using printer 3396 in Figure 23. (Column 47, lines 24 - 26.)

-- Ziarno discusses receipts for cash contributions which are printed by a printer 820. (Column 28, lines 56, 57.)

Ziarno already prints receipts. There is no reason for combining the "known and old" with Ziarno.

Ziarno TEACHES AGAINST Adding Printers to his Terminals

Ziarno expressly states that his terminals 100 should not print receipts. (Column 50, lines 39 - 42 and 52 - 62.)

-- One reason is that "a substantial amount of costs [are] saved" by having a central facility handle the receipts. (Ibid.) And those receipts are mailed, not delivered immediately.

-- Another reason is that Ziarno states that credit-card-authorization is a prerequisite for issuing a receipt. (Column 50, line 28 et seq.) But authorization is NOT obtained when donors make their contributions using his terminals 100.

Authorization is obtained later, and by other equipment, because Ziarno wants his terminals 100 to spend their time collecting

contributions, not obtaining credit card authorizations. (Column 12, first full paragraph, and column 13, first full paragraph.)

PTO is Actually MODIFYING Ziarno

The Office Action is not combining Ziarno with a "known and old" device. It is **modifying** Ziarno. Ziarno already shows printers. The Office Action is modifying Ziarno as to structure and procedure.

That is not allowed.

Therefore, Ziarno teaches that

1. His terminals 100 should not print receipts.
2. His terminals 100 do not obtain credit card authorization.
3. Authorization is required prior to printing receipts. Thus, his printers **cannot** print receipts.
4. Receipts are printed en masse, and **mailed** to donors. That occurs **long after** the donors have relinquished possession of the terminals 100.

These points will be explained in detail.

Response

Ziarno Reference

The Ziarno patent is quite lengthy: about 100 columns. The undersigned attorney finds it somewhat confusing, but interprets it as follows.

Ziarno shows a portable terminal 100 in his Figures 7, 8, 8a, and 8b. The terminal is used at charitable fund-raising events. (Column 8, third paragraph.) The terminals are given to persons attending the event. (Column 8, lines 25 - 30.)

The persons (donors) swipe a credit card through the terminal 100, and punch in the monetary amount of a contribution. (Column 11, line 10, lines 33 - 40.) They then pass the terminal 100 to other donors.

Significant features of Ziarno are the following:

1. Ziarno states that the terminal 100 **does not** verify a credit card after a donor makes a contribution, and before the next donor does so. (Column 12, lines 14 - 22 and 30 et seq.) His terminal 100 accumulates the donations, and later dumps them **en masse** into an "account processor" 1031 for verification.

2. Ziarno states that the terminals 100 should spend their time collecting money, rather than obtaining credit card authorizations. (Column 13, last full paragraph.) That way, in a given period of time, maximum

contributions can be obtained.

3. Ziarno states that receipts are only given for contributions which are authorized. (Column 50, line 28 et seq.) But, as explained above, the terminals 100 perform no authorization. Thus, the terminals cannot issue receipts.

4. Consistent with point 3, Ziarno states that, when the authorizations are obtained, "gifts that are . . . found to be UNauthorized can be discarded." (Column 14, lines 1, 2.) Thus, again, a receipt should not be given by terminal 100. That terminal performs no authorization.

5. Ziarno discusses printing of an "acknowledgement" of the contribution, using printer 3396 in Figure 23. (Column 47, lines 24 - 26.) But he states that the "acknowledgement" is not delivered immediately to the contributors. It is mailed. (Column 49, last full paragraph.)

6. Ziarno states that a person may obtain a receipt "directly after he has made a contribution or gift" (Column 28, line 44.) However, this statement is made in the context of his explanation of his Figures 3 and 4, which begins in column 27, line 10.

That context refers to **cash** contributions 143. (Column 27, lines 19 - 24.) Thus, the receipt given "directly" is given for a **cash contribution** 143. (Column 28, lines 43 - 46.)

Further, the receipt for the **cash** contribution is printed by a printer 820 which is "preferably . . . **REMOTE** from terminal 100." (Column 28, lines 56, 57.) The reason for the remoteness is to eliminate interference by the printing process upon the collection activities of terminal 100, as explained above in point (2). (Column 28, lines 58, 59.)

Thus, even if this "direct" receipt is made for credit card contributions, which is not so, it is **NOT** made by terminal 100, but by a **stationary printer**, which is **REMOTE** from the terminal 100.

THEREFORE:

-- Ziarno **expressly** teaches against adding a printer to his terminal 100. The printer interferes with collection of contributions.

-- Ziarno **teaches** against delivering receipts immediately. He mails them. That is **inconsistent** with the concept of adding a printer to his terminals 100.

-- Ziarno **does** give receipts "directly" in one situation, namely, cash contributions. But, even then, the receipt is printed by a **stationary printer**, located

remote from the terminal 100.

**Rejection is a MODIFICATION of Ziarno,
Which is Prohibited**

The Office Action's suggestion of adding a printer to Ziarno's terminal 100 is a modification of Ziarno. MPEP § 2143.01, last paragraph, states:

If the proposed modification or combination of the prior art would **change the principle of operation of the prior art invention** being modified, then the teachings of the references are not sufficient to render the claims prima facie obvious.

It is a modification because Ziarno already shows printing of receipts. Such printing is done by stationary printers, which are separate from his terminals 100.

Modification is Useless

Ziarno's printing³ is done **after** Ziarno's donors have finished dealing with the terminals 100. Thus, the suggestion of the Office Action has no usefulness. Ziarno does not print receipts in "real time," so the printer added to his terminal 100 would possess no function.

-- When a donor makes a contribution, the terminal 100 obtains no credit card authorization. Thus, the terminal 100 cannot print a receipt.

³ With the exception noted above, for cash contributions.

-- When the authorization is obtained (at a later time), the donor is no longer in possession of the terminal 100. Why would a receipt be printed at that time ?

Modification is SIXFOLD Change of Ziarno

From another perspective, if printers are added to Ziarno's terminals, then Ziarno is actually being re-designed in **FOUR** ways:

- (1) alteration of his terminals 100 by the addition of the printers (which are not used),
- (2) alteration of his procedure of printing receipts en masse,
- (3) alteration of his procedure of printing the receipts by a single, separate, agency, and
- (4) alteration of his procedure of printing the receipts **after** obtaining credit card authorization.

Modification of Ziarno is not allowed, let alone a four-fold modification.

In addition, even if you add a printer to Ziarno's terminal 100, as explained above, Ziarno **cannot use it**. Ziarno obtains all credit-card-authorizations for a given terminal 100 at a **single time**. Given that, how would the added portable printers print receipts ?

-- How it the information to be printed given

to those printers ? A stationary computer obtained the credit card authorization.

-- How would the receipts, after printing, be given to the donors ? The donors have departed.

Thus, two additional modifications of Ziarno arise:

(5) A mode of transmitting receipt-data to the new printers attached to the terminals 100.

(6) Somehow locating each donor, and delivering the receipt printed by the new printers.

Section 103 does not allow these modifications. Further, Applicant submits that modifications (5) and (6) lead to a clear absurdity: printing receipts for donors who are not present.

In addition, MPEP § 2144.04(VI)(C) states:

The mere fact that a worker in the art could rearrange the parts of the reference device to meet the terms of the claims on appeal is not by itself sufficient to support a finding of obviousness.

The prior art must provide a motivation or reason for the worker in the art, without the benefit of appellant's specification, to make the necessary changes in the reference device.

No such motivation for these six modifications has been given.

In addition, as to modification (5), a system is required which communicates data from Ziarno's validating computers to the portable terminals 100, so that the latter (1) know that validation

occurred and (2) know what to print. Further, this system must somehow individually communicate with the appropriate terminal 100, out of the many terminals which Ziarno shows, so that the correct terminal 100 prints the receipt.

No such system has been shown in the cited art. MPEP 2143.03 states:

To establish prima facie obviousness . . . all the claim limitations must be taught or suggested by the prior art.

This system is required, even though claim 1 does not recite it. The reason is that, without such a system, Ziarno cannot function to print a receipt.

**Rationale Given by PTO does not Lead
To Adding Printer to Ziarno**

The rationale given by the Office Action does not lead to adding a printer to Ziarno's terminal. The rationale is this:

Since Ziarno is interested in keeping . . . [records] for tax-filing purposes, it would have been obvious to incorporate a printer for printing receipts.⁴

(Final Office Action, page 3.)

However, as just explained above, Ziarno already "incorporates a printer." His printer is stationary, and remote from the terminals 100.

Since Ziarno already shows printers which fulfill the goal set

⁴ Final Office Action, page 3, lines 3 - 5.

forth by this rationale, the rationale does not lead to **additional** printers. The rationale leads nowhere, let alone to claim 1.

Further, the goal of the rationale (receipts for tax purposes), leads to a **printer**. It does not lead to a **portable** printer. Ziarno already provides a printer.

Thus, the rationale provides no basis for (1) providing additional printers, (2) making those additional printers portable, nor (3) adding those additional printers to Ziarno's portable terminals 100.

Further, the rationale is based on a false, two-part, premise, namely, that (1) "receipts" are desirable, and (2) those receipts must be printed in real-time, when the contribution is made. The contributions in Ziarno are **credit card transactions**. The **monthly statement** of the credit card will contain a printed record of the contribution. That record suffices as a receipt. Real-time receipts are not necessary.

Thus, the rationale does not lead to adding a printer to Ziarno's terminals 100. The monthly report suffices.

Therefore, the PTO's rationale does not

- 1) lead to **additional** printers in Ziarno,
- 2) lead to making the additional printers **portable**,
- 3) lead to attaching the additional printers to Ziarno's portable terminals 100, nor
- 4) show that real-time receipts are necessary.

Added Rationales Given in Final Office Action

The Final Office Action gives additional rationales for modifying Ziarno's printing procedure. On page 6, second full paragraph, the Office Action states the following. (Applicant has numbered the sentences for reference.)

(1) Providing a printer in a portable device for printing receipt for each transaction is known and old.

(2) Although Ziarno does not teach the use of a printer [such is well known for printing receipts].

(3) Further, it is part of our very human tendency to keep record of almost every financial transaction that would motivate one to arrive [at] such modification.

These rationales suffer numerous defects: rationale (2) is factually incorrect, and rationale (3), even if correct, is irrelevant.

Rationale (2)

As to rationale number (2), as explained above, Ziarno **already** shows a printer. ("Receipt generator" 820 in his Figure 1 prints "receipt" 830. See column 28, lines 43 - 59. Also, in column 47, lines 24 - 26, he discusses printing of an "acknowledgement," using another printer 3396 in Figure 23.)

Therefore, as to rationale (2), Ziarno **already** shows a printer. Rationale (2) is factually incorrect.

Rationale (3)

Two of the references cited in this prosecution show portable terminals which print NO receipts.

Hitchcock (5,157,717) shows portable terminal for use with a telephone. The terminal allows a user to contact his bank and pay bills. (Column 8, lines 40 - 44.) But it issues no printed receipt.

Benton (4,454,414) shows a portable device for interfacing with an Automated Teller Machine (ATM). (See Figures 7 and 8.) Benton does not state that his portable device prints receipts. ATMs are known to print receipts, but whether Benton utilizes that printing facility is not known.

Therefore, the supposed "human tendency" to always demand receipts is non-existent, as these two patents show.

But even if this "tendency" does exist, it is irrelevant. It does not lead to claim 1.

The printer of claim 1 has two specific features: it prints receipts (1) in real-time and (2) at the location of the transaction. The "tendency" does not require these two features, and thus does not lead to claim 1.

For example, in Ziarno, the "tendency" is fulfilled without the apparatus of claim 1:

-- the monthly credit card bill provides a receipt, and

-- Ziarno prints receipts, which he mails to the donors.

Thus, even if the "tendency" exists, claim 1 is not required

to satisfy it. The "tendency" does not lead to claim 1.

Rationale (1)

Rationale (1) does not (A) support the conclusion of adding a printer to Ziarno, and (B) is contrary to the rules on obviousness.

As to (B), as explained above, the mere fact that printers are "known and old" does not lead to adding a printer to Ziarno (he has them already), nor to adding a portable printer to his terminals 100.

As to (A), **SOME** portable devices clearly **DO** contain printers. [Three other patents, cited in this prosecution, namely, Campo (5,334,821), Kumar (5,294,782), and Martinez (5,334,824) provide examples.]

But that fact does not indicate that **MOST** or **ALL** portable devices **should** contain printers. Two examples were given above where portable devices contain no printers.

That is, the rationale is only persuasive if a person skilled in the art thinks that a portable device **SHOULD AUTOMATICALLY** be equipped with a printer. That person, and that thinking, has not been shown.

Thus, the existence of printers in **SOME** portable devices **DOES NOT**, by itself, lead to the conclusion that **ALL** such devices should contain printers.

Further, no portable device containing a printer has been relied on by the Office Action.

Rationale (1) does not lead to the conclusion for another reason: As explained above, Ziarno already shows a printer.

Therefore, the rationales of the PTO do not lead to adding a printer to Ziarno's portable terminal 100.

Claim 1(c)

Claim 1(c) recites a wireless modem. The PTO argues that, since Ziarno discusses wireless transmission by his terminals 100, in effect, claim 1(c) is shown.

Genus does not make Species Obvious

However, a genus does not make a species obvious. MPEP § 2144.08 states:

II. DETERMINE WHETHER THE CLAIMED SPECIES OR SUBGENUS WOULD HAVE BEEN OBVIOUS TO ONE OF ORDINARY SKILL IN THE PERTINENT ART AT THE TIME THE INVENTION WAS MADE

The patentability of a claim to a specific compound or subgenus embraced by a prior art genus should be analyzed **no differently** than any other claim for purposes of 35 U.S.C. 103.

. . . .

The fact that a claimed species or subgenus is encompassed by a prior art genus **is not sufficient by itself** to establish a prima facie case of obviousness.

Ziarno discusses a genus ("wireless transmission"). Claim 1(c) recites a species ("wireless modem"). This MPEP section states that a **teaching** for substituting the particular species into

Ziarno must be given. That has not been done.

"Wireless Modem" Possesses Special Features

Claim 1(c) recites a "wireless modem." That apparatus possesses features which generic "wireless" devices lack.

-- It is **directly connectable** to a telephone line, without modification.

-- It conforms to a standard architecture, and responds to a standard command set (such as the Hayes command set).

-- It can be directly interfaced to a computer.

In a word: a "wireless modem" is an off-the-shelf device which can be directly connected, without modification, to the apparatus described in Applicant's specification. That feature must be shown in Ziarno's generic "wireless" devices. That has not been done.

"Wireless Modem" Possesses PARTICULAR Special Feature

As the Specification, Figure 4, indicates, the "wireless modems" enable the terminals 40 to obtain access to the telephone lines 72. The terminals then make an ordinary telephone call, to validate a credit card.

Thus, a "wireless modem" allows terminal 40 to make a telephone call to the outside world.

Ziarno states that his terminals 100 contact his "fund raiser's terminal" 120, which is a local computer. (Column 10,

lines 21 - 23.) A "wireless modem" is not needed for that, and possesses capabilities beyond those needed for that function.

A "wireless modem" is not a substitute for Ziarno's device. Placing a "wireless modem" in Ziarno is another modification of Ziarno, which is not allowed.

PTO's "Inherency" is Misplaced

The PTO states:

. . . a wireless modem is considered **inherent** in light of the use of a wireless communication link.

(Final Office Action, page 2, bottom.)

This assertion, on its face, is incorrect. For example, a police radio is a "wireless communication link." Why is a "wireless modem" inherent in a police radio ?

Assertion does not Follow MPEP

The "inherency" assertion fails to comply with the rules on inherency, which are found in MPEP § 2112, which states:

EXAMINER MUST PROVIDE RATIONALE OR EVIDENCE TENDING TO SHOW INHERENCY.

In relying upon the theory of inherency, the examiner must provide a basis in fact and/or technical reasoning to reasonably support the determination that the allegedly inherent characteristic necessarily flows from the teaching of the applied prior art.

Related Assertions are Contradictory and Factually Incorrect

The PTO also states:

Ziarno's wireless communication requires
either a transceiver or a modem.

(Final Office Action, page 3.)

This statement contradicts the assertion regarding "inherency."
The statement asserts that a "transceiver" can be used. If so,
then no "wireless modem" is required. Thus, no inherency exists,
because the PTO has admitted that a "transceiver" can be used
instead of a "wireless modem."

Further, the statement is factually incorrect. "Transceiver"
implies two-way communication. Where does Ziarno state that his
terminals 100 receive information from the "base station" ?

PTO Asserts "Design Choice"
That Term is Undefined

The Final Office Action, page 3, end of first paragraph,
asserts that substitution of a "wireless modem" for Ziarno's
"wireless communication link" is a matter of "logical design
consideration."

"Logical design consideration" is not a statutory basis for
rejection. The undersigned attorney cannot find that term defined
in the MPEP.

It appears that the Office Action is asserting that a
"wireless modem" is an equivalent for Ziarno's wireless
communication link." This assertion must be substantiated. MPEP

§ 2144.06 states:

In order to rely on equivalence as a rationale supporting an obviousness rejection, the equivalency must be recognized in the prior art, and cannot be based on . . . the mere fact that the components at issue are functional or mechanical equivalents.

Additional Factors for Claim 1

PTO is Relying on "Gist" and Hindsight, Which are not Allowed

The Final Office Action, top of page 6, asserts that hindsight is not being used, partly on the grounds that

The underlying inventiveness concepts of applicant's claimed invention is a wireless capability of performing a credit transaction, so does Ziarno.

In effect, the PTO is finding a "gist" of Applicant's invention, and combining Ziarno with other references, on the grounds that Ziarno has the same "gist."

This is specifically prohibited. MPEP § 2141.02, second heading, states:

Distilling the Invention down to a "Gist" or "Thrust" . . . disregards "as a whole" requirement.

Claim 1 must be read as a whole.

No reference shows claim 1 as a whole. The Office Action adds a printer to Ziarno's portable terminal 100. As explained above,

- (1) Ziarno already shows a printer,
- (2) Ziarno teaches against printing receipts

using terminal 100,

(3) that addition modifies Ziarno's operation, in six ways, and

(4) that printer cannot be used to print a receipt for a donor, because credit card authorization is not undertaken until later.

Further, no rationale in the prior art has been given for the addition of a printer.

Since the addition of the printer is contrary to Ziarno, and no rationale in the prior art has been given for that addition, what motivates the addition of the printer ?

Clearly, Applicant's own claims. No other basis for adding the printer to Ziarno has been shown. Therefore, hindsight is being used.

Conclusion as to Claim 1

Ziarno expressly states that his terminals 100 should not print receipts. That interferes with their collection of donations.

Ziarno expressly states that credit card authorizations should be obtained **before** issuing receipts. His terminals 100 do not obtain authorizations. Thus, they cannot issue receipts, even if they had printers.

The PTO is modifying Ziarno, in **SIX** ways, which is not allowed.

Two of the modifications are absurd: Ziarno states that

credit-card authorizations are undertaken en masse, and that receipts are then mailed. But, under the modification, the terminals 100 are equipped with printers.

-- How does the receipt-data get transmitted to the printers, after authorization ?

-- How do the receipts, after printing, get delivered to the donors, who have probably left the building ?

The rationales given by the PTO do not lead to the conclusion of adding a printer to Ziarno's terminal 100.

-- The rationales assume the non-existence of a printer in Ziarno, but that is false: Ziarno already shows printers.

-- The rationales pre-suppose that "real-time" receipts are somehow necessary or customary, but that is false.

-- The rationales ignore the fact that Ziarno **expressly states** that his terminals 100 **should not print receipts**.

CLAIM 8

This response applies to claim 8.

CLAIM 3

Claim 3 recites:

3. Terminal according to claim 1, and further comprising:

f) means for transmitting a code which identifies said terminal to said base station.

This recitation has not been shown in the prior art. MPEP 2143.03 states:

To establish prima facie obviousness . . . all the claim limitations must be taught or suggested by the prior art.

The Office Action merely relies on a "necessity" that such a code be used, the "necessity" supposedly resulting from the use of multiple terminals 100 in Ziarno. This reliance is misplaced, for several reasons.

Mere Conclusion is Insufficient

One is that no explanation has been given as to why this "necessity" arises. An explanation is required. A naked conclusion of "necessity" is insufficient.

"Necessity" is Non-Existent

A second reason is that no requirement exists for Ziarno's terminal 100 to identify itself to the main computer.

The computer only needs (1) credit card numbers to bill, and (2) an amount to bill each. The computer does not care which

terminal collected each contribution. Why would it ?

The downloaded data to the computer contains many pairs of data, each pair including

- (1) a dollar amount and
- (2) a credit card number.

Since no two credit card numbers will be alike, compiling all (1) dollar amounts and their (2) respective credit card numbers is required, and no more.⁵ There is no reason that each terminal 100 identify itself.⁶

**Even if Identification of Terminal 100 is a "Necessity,"
"Code Transmission" is not Required**

The Office Action is confusing two factors: (1) supposed "necessity" of identification of the terminals 100 and (2) how it is accomplished. However, identification does not require "code transmission."

Situations can be readily envisioned where identification is required, but "code transmission" is absent.

-- For example, each of Ziarno's terminals 100 can be allotted specific times for transmission. Therefore, the time-of-day when a transmission is received identifies the terminal making the transmission. A "code" is

⁵ If a given person made two contributions, to two different terminals 100, the system would be designed to record both. That is, when an entry is inserted into the database, it does not overwrite existing data.

⁶ See column 42, lines 8 - 11.

not required.

-- As a second example, each terminal 100 can be assigned a code, like a cellular telephone number. But that code is **not TRANSMITTED** by the terminal 100. Instead, it is **RECEIVED** by that terminal.

That is, Ziarno's computer (not labeled) in his Figure 3 "calls" all terminals simultaneously, and transmits a specific terminal's code. Only **that** terminal responds. Clearly, with this arrangement, at any given time, the computer knows which terminal 100 the computer is communicating with, without that terminal 100 transmitting a code.

The two preceding examples show how Ziarno's computer can ascertain the identity of a terminal 100, without transmission of a code by the terminal. Thus, transmission of a code by the terminals 100 is not necessary for identification of the terminals. Consequently, there is no "necessity" of code transmission.

Therefore, Applicant has shown

- how terminals can be identified without transmitting a code, and
- why this identification is not even necessary.⁷

⁷ The PTO has not shown where Ziarno discusses either the necessity or the identification.

Consequently, there is no automatic assumption that the recitations of claim 3 are inherent, or, of "necessity," implied by Ziarno.

**Office Action is Relying on "Inherency"
Without Providing the Required Rationale**

In effect, the Office Action is asserting that claim 3 is "inherent" in Ziarno. MPEP § 2112 states:

EXAMINER MUST PROVIDE RATIONALE OR EVIDENCE
TENDING TO SHOW INHERENCY.

In relying upon the theory of inherency, the examiner must provide a basis in fact and/or technical reasoning to reasonably support the determination that the allegedly inherent characteristic necessarily flows from the teaching of the applied prior art.

No such rationale has been given.

Therefore, the recitations of claim 3 have not been shown in the prior art.

CLAIM 5

Claim 5 recites, in part:

5. A system, located within a building, comprising:

a) multiple base stations, each
linkable to a respective dedicated
telephone channel;

. . .

The Office Action has not identified (1) the multiple base stations nor (2) a link for each to a "respective dedicated telephone channel." In all Figures, where Ziarno shows what could

be called a "base station," only a **single** base station is found.
For example:

Figure 1 shows a single computer 120.

Figures 2 and 3 show single computers.

Figures 13 - 16 each show a single computer.

And Figure 23 shows multiple terminals 100, communicating with a **single** computer 3397.

Claim 5 recites **multiple** base stations. Ziarno does not show them.

Further, claim 5 recites that **each** base station is "linkable to a respective . . . telephone channel." Since claim 5 recites "multiple" base stations, "multiple" telephone channels must also be shown, since each base station links to a "respective" channel. But Ziarno does not show this.

MPEP 2143.03 states:

To establish prima facie obviousness . . . **all the claim limitations** must be taught or suggested by the prior art.

The rejection does not comply with this MPEP section.

In Applicant's previous response to the PTO, page 8, Applicant stated:

Applicant requests, under 37 CFR §§ 1.104(b) and 1.106(b) and 35 U.S.C. § 132, **that the PTO specifically identify**, in Ziarno, the two recitations of claim 5(a) identified above, namely, (1) the multiple base stations and (2) the multiple telephone channels, each leading to a base station.

The PTO has not complied with this request.

CLAIM 9

re: Subjectivity

The Final Office Action, page 8, top, rejected claim 9⁸ on the grounds of being "subjective," based on the language "means for instructing a person, who has never seen said device previously" The rejection contends that the "subjective" phrase does not act as a limitation.

In response, Applicant points out that no requirement exists that every phrase in a claim act as a limitation. The mere fact that a given phrase in a claim does not distinguish over the prior art is not a basis for rejection.

Further, MPEP § 2143.03 states:

INDEFINITE LIMITATIONS MUST BE CONSIDERED

A claim limitation which is considered indefinite cannot be disregarded.

Further still, the claim must be read **as-a-whole**. As explained below, other phrases are present which distinguish over the prior art.

In addition, the Office Action's assertion is factually incorrect. Whether a person "has never seen said device previously" is an **objectively determinable fact**. The person either has, or has not, seen the device. No "subjectivity" is involved.

⁸ The rejection refers to claim 10. Presumably, this is an error, since claim 10 is not pending.

As a matter of evidence, and proof, determining that fact may be difficult. But difficulty of proof of infringement is not the PTO's concern.

Other Recitations: Claim 9(c)

Claim 9 recites, in part:

9. A credit card verification device, comprising:

. . .

c) means for indicating to said customer whether said verification service accepts said amount.

Claim 9(c) not Found in Ziarno

In Applicant's previous response, page 10, Applicant stated:

Applicant cannot find where Ziarno shows this, and requests that the PTO identify this recitation in Ziarno.

In response, the Final Office Action states:

Ziarno is using a typical credit card reader which **INHERENTLY** includes a statement indicating that the transmission has been successfully conducted.

This **conclusory** statement of **inherency** is not allowed. Under MPEP § 2112, cited above, the PTO is required to provide a rationale. That has not been done.

In addition, as explained above, Ziarno **expressly states** that his terminals 100 **DO NOT PERFORM VALIDATION OF THE CREDIT CARDS**. (Column 12, first full paragraph, and lines 38 - end.) Since no

validation is done by the terminals 100, they **cannot** issue a statement "whether said verification service accepts said amount."

Ziarno's teachings are **directly contrary** to claim 9.

Further, three factors militate against "inherency." The first is that Ziarno shows a device for accepting charitable contributions. The contributor receives nothing of value in exchange for the contribution. Thus, no reason exists for informing the contributor (or "customer" in the language of claim 9) immediately whether the contribution has been verified by a credit card service.

The second factor is consistent with the first. In operation, Ziarno collects all the contributions from the contributors and, **later**, verifies them with a credit card service. At that time, non-authorized contributions are discarded. (See column 14, top.) Thus, Ziarno specifically states that contributors do not receive verification when the contributors punch in their contributions to the terminals 100.

The third factor is consistent with the first two. Ziarno speaks of terminals 100 being "off-line." (Column 12, first full paragraph.) In this connection, he states:

The . . . terminal 100 . . . **does not**
interpose a request . . . for . . .
verification. (Column 12, lines 14 - 17. See
also column 12, lines 30 - 38.)

Therefore, Ziarno specifically states that his terminal **does not seek verification**. Somebody else seeks verification, and that is done at a **later time**, after the contributor deals with the

terminal. That teaches against claim 9.

Independent of the foregoing, and as discussed above, Ziarno prints out receipts for the contributors. These receipts act as "verification." Thus, there is no reason to add the verification recited in claim 9. It would be redundant.

Applicant requests that the PTO show, in Ziarno, (1) the verification as in claim 9 and (2) informing the customer of the results of the verification, as in claim 9.

Rejection of Claim 9 Specifically Disallowed by MPEP

The Final Office Action, page 7, states:

Applicant's claimed features are merely well within the skill level and expectations of an ordinary skilled artisan.

This basis for rejection conflicts with MPEP § 2143.01, which states:

FACT THAT THE CLAIMED INVENTION IS WITHIN THE CAPABILITIES OF ONE OF ORDINARY SKILL IN THE ART IS NOT SUFFICIENT BY ITSELF TO ESTABLISH PRIMA FACIE OBVIOUSNESS

A statement that modifications of the prior art to meet the claimed invention would have been "well within the ordinary skill of the art at the time the claimed invention was made"

. . . .

IS NOT SUFFICIENT to establish a prima facie case of obviousness without some objective reason to combine the teachings of the references.

Other Recitations: Claim 9(b)

Claim 9(b) recites:

b) means for transmitting said number and said amount, in a wireless manner, to a verification service;

The portable terminal 100 in Ziarno does not transmit data "to a validation service." Another computer in Ziarno does that. (See column 43, lines 8 - 18.)⁹

This recitation is not found in Ziarno.

Claim 11

Claim 11 depends from claim 8, and recites that the data is carried, at least in part, by an ATM network. (ATM: Automated Teller Machine.) The Specification, page 8, "Additional Consideration" number 1, explains some features of an ATM network.

Applicant requested that the ATM be identified in Ziarno. The Final Office Action, presumably in response, states on page 8:

. . . the underlying inventiveness of Ziarno's system is a remote credit and financial transactions (sic). It would thus be **inherent** that Ziarno's base station is connected to a credit transaction network which are often part of an ATM network.

This response, in relying on inherency, fails to comply with MPEP § 2112, cited above, which is here repeated for convenience:

⁹ A 116-amendment changes "in a wireless manner" to -- using a wireless modem --.

EXAMINER MUST PROVIDE RATIONALE OR EVIDENCE
TENDING TO SHOW INHERENCY.

In relying upon the theory of inherency, the examiner must provide a basis in fact and/or technical reasoning to reasonably support the determination that the allegedly inherent characteristic necessarily flows from the teaching of the applied prior art.

Further, this reasoning is incorrect. Applicant points out that credit transactions are verified by ordinary telephone calls. As the Specification, page 8, "Additional Consideration" number 1, points out, and ATM network **cannot be reached by ordinary telephone calls.**

Further still, the Office Action refers to a "credit transaction network." Applicant is unfamiliar with this term, and requests that it be explained.

Therefore, the PTO is required to explain (1) a "credit card network," and (2) why it is inherent in Ziarno. That has not been done.

GROUPING OF CLAIMS

Claims 1, 3, 5, 8, 9 and 11 are grouped together. Claims 1 and 8 stand or fall together.

Claim 3 recites means for transmitting a code which identifies said terminal to said base station. The applied references do not show the overall recitations of this claim, including this recitation, nor do the other claims in this group contain these recitations.

Claim 5 recites multiple base stations, each linkable to a

respective dedicated telephone channel. The applied references do not show the overall recitations of this claim, including this recitation, nor do the other claims in this group contain these recitations.


Claim 9 recites means for transmitting a credit card number and a monetary amount, in a wireless manner, to a verification service; and means for indicating to said customer whether said verification service accepts said amount. The applied references do not show the overall recitations of this claim, including these recitations, nor do the other claims in this group contain these recitations.

Claim 11 recites that data is carried by an ATM network. The applied references do not show the overall recitations of this claim, including this recitation, nor do the other claims in this group contain these recitations.

CONCLUSION

Applicant requests that the rejections of all claims be reversed, and that all claims be passed to issue.

Respectfully submitted,


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February 18, 1999
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APPEALED CLAIMS

1. A portable terminal, comprising:
 - a) a keypad containing between 10 and 15 keys;
 - b) a card reader;
 - c) a wireless modem for communicating with a local base station connected to a telephone line;
 - d) a display;
 - e) logic means for
 - i) accepting data from the card reader and the keypad; and
 - ii) transmitting said data to a base station, using said wireless modemand which comprises means for
 - iii) issuing messages on said display which instruct the user to
 - A) present a card to the card reader and
 - B) enter a monetary amount using the keypad; and
 - f) a printer for printing a paper receipt.
-
3. Terminal according to claim 1, and further comprising:
 - f) means for transmitting a code which identifies said terminal to said base station.

5. A system, located within a building, comprising:
- a) multiple base stations, each linkable to a respective dedicated telephone channel;
 - b) multiple portable terminals, each comprising
 - i) modem means for wireless communication with a base station;
 - ii) a card reader;
 - iii) a keypad containing between about 10 and 15 keys;
 - iv) a display;
 - v) logic means, coupled to the modem means, card reader, keypad, and display, for
 - A) issuing a message on the display requesting a user to present a card to the card reader;
 - B) issuing a message on the display requesting the user to enter a monetary amount via the keypad; and
 - C) transmitting data read from the card and the monetary amount to a remote agency, via the modem means.

8. A method of transmitting data to a system which maintains accounts of credit transaction, comprising the following steps:
- a) presenting a wireless terminal to a customer, which
 - i) issues a message requesting presentation

of a credit card;

ii) reads card data from a credit card, when presented;

iii) issues a message requesting entry of a monetary amount;

iv) accepts said monetary amount from a keypad;

v) transmits said monetary amount and said card data to said system; and

vi) prints a receipt for the customer.

9. A credit card verification device, comprising:

a) means for instructing a person, who has never seen said device previously, how to successfully

(i) enter a credit card number into the device and

(ii) enter a monetary amount into the device;

b) means for transmitting said number and said amount, in a wireless manner, to a verification service; and

c) means for indicating to said customer whether said verification service accepts said amount.

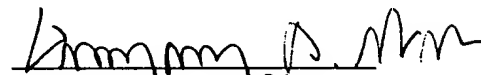
11. Method according to claim 8, in which the data is carried by an ATM network during part of its travel to the system which maintains accounts of credit transactions.

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Assignee's Docket No.: 6253)
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Group Art Unit: 2514)
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Serial No.: 08/673,642)
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Examiner: Thien Le)
)
Filing Date: June 25, 1996)
)
Title: Portable Credit Card)
Verifier)
)

CERTIFICATE OF MAILING

I certify that the documents contained herewith are addressed to the Commissioner of Patents and Trademarks, Washington, D.C., 20231, and will be deposited with the U.S. Postal Service, first class postage prepaid, on February 18, 1999.


Gregory A. Welte